Saturn Partners III

2011 Annual Report

Saturn Partners Limited Partnership III

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
Period from October 23, 2009 (inception date) to December 31, 2011

C O N T E N T S

McGladrey

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Saturn Partners Limited Partnership III
Boston, Massachusetts

We have audited the accompanying balance sheet of Saturn Partners Limited Partnership III (the "Partnership") as of December 31, 2011, and the related statements of operations, changes in partners' capital, and cash flows for the period from October 23, 2009 (inception date) to December 31, 2011. These financial statements are the responsibility of the Partnership's General Partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saturn Partners Limited Partnership III as of December 31, 2011, and the results of its operations and its cash flows for the period from October 23, 2009 (inception date) to December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary statement of cumulative portfolio company activity for the period October 23, 2009 (inception date) through December 31, 2011 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey & Pullen, LLP

April 23, 2012
Boston, Massachusetts

Saturn Partners Limited Partnership III

Balance Sheet

December 31, 2011

ASSETS		
Investments in portfolio companies, at fair value		
(Cost basis: $7,950,000)	$	7,950,000
Cash and cash equivalents		749,514
Other assets		99,293
Total assets	$	8,798,807
LIABILITIES		
Accrued expenses and other liabilities	$	79,839
Revolving line of credit		2,765,000
Total liabilities		2,844,839
PARTNERS' CAPITAL		
Contributed capital		6,929,293
Syndication costs		(61,000)
Cumulative net investment loss		(914,325)
Total partners' capital		5,953,968
Total liabilities and partners' capital	$	8,798,807

Saturn Partners Limited Partnership III

Statement of Operations

Period from October 23, 2009 (inception date) to December 31, 2011

Income:		
Interest income	$	3,475
Expenses:		
Management fees		520,242
Professional fees		159,495
Organizational expenses		173,232
Administrative expenses		22,497
Interest expense		42,334
Total expenses		917,800
Net investment loss		(914,325)
Net decrease in partners' capital from operations	$	(914,325)

Saturn Partners Limited Partnership III

Statement of Changes in Partners' Capital

Period from October 23, 2009 (inception date) to December 31, 2011

	General Partner	Limited Partners	Total
Partners' capital at October 23, 2009 (inception date)	$ -	$ -	$ -
Capital contributions	69,293	6,860,000	6,929,293
Syndication costs	(753)	(60,247)	(61,000)
Net investment loss	(11,289)	(903,036)	(914,325)
Partners' capital at December 31, 2011	$ 57,251	$ 5,896,717	$ 5,953,968

The accompanying notes are an integral part of these financial statements.

Saturn Partners Limited Partnership III

Statement of Cash Flows

Period from October 23, 2009 (inception date) to December 31, 2011

Cash flows from operating activities:		
Net decrease in partners' capital from operations	$	(914,325)
Adjustments to reconcile net decrease in partners' capital from operations to net cash used in operating activities:		
Investments in portfolio companies		(7,150,000)
Changes in operating assets and liabilities:		
Other assets		(99,293)
Accrued expenses and other liabilities		79,839
Net cash used in operating activities		(8,083,779)
Cash flows from financing activities:		
Proceeds from bridge financing		2,640,000
Repayments of bridge financing		(2,640,000)
Advances from revolving line of credit		4,430,000
Repayments of line of credit		(1,665,000)
Capital contributions		6,129,293
Syndication costs		(61,000)
Net cash provided by financing activities		8,833,293
Net increase in cash and cash equivalents		749,514
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	$	749,514
Supplemental disclosure of cash flow information:		
Cash paid for interest	$	26,259
Supplemental schedule of noncash financing activities:		
Non-cash contribution of portfolio company securities from Limited Partner	$	800,000

The accompanying notes are an integral part of these financial statements.

Saturn Partners Limited Partnership III

Notes to Financial Statements
Period from October 23, 2009 (inception date) to December 31, 2011

1. ORGANIZATION

Saturn Partners Limited Partnership III ("Saturn" or the "Partnership") was organized pursuant to the laws of the State of Delaware on October 23, 2009. The Partnership began general operations at the beginning of 2011. Saturn is a venture capital fund formed primarily for the purpose of making debt and equity investments in early stage development and other companies focusing strategically on disruptive technologies and special opportunities. Saturn Partners III LLC (the "General Partner") is the General Partner of the Partnership. The Partnership shall continue in full force and effect until the tenth anniversary of the Principal Closing Date (the "Expiration Date"), provided, that the General Partner shall have the option to extend the Expiration Date for up to three additional one year periods to permit an orderly liquidation of the Partnership's investments and thereafter, the Expiration Date may also be extended by the General Partner with Two-Thirds Consent of the Limited Partners.

Pursuant to the Amended and Restated Partnership Agreement (the "Agreement"), the Principal Closing Date occurred March 31, 2011 when the Partnership obtained at least $25 million in Capital Commitments. Pursuant to Amendment No. 1 to the Agreement, the General Partner may admit persons as Limited Partners to the Partnership until June 30, 2012, (the "Final Closing Deadline") unless extended by the General Partner with a Two-Thirds Consent of the Limited Partners.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Partnership considers all highly liquid investments with an original maturity, at time of purchase, of three months or less to be cash equivalents. Cash and cash equivalents held in financial institutions may, at times, exceed federally insured limits.

Syndication and Organizational Expenses

Syndication costs of $61,000 were incurred in raising the Partnership's capital and have been deducted from contributed capital. Organizational Expenses of $173,232 were expensed for the period from October 23, 2009 (inception date) to December 31, 2011, and are included on the accompanying Statement of Operations. The General Partner has incurred additional Organizational Expenses which, pursuant to terms of the Agreement, will be the responsibility of the Partnership up to a maximum of 0.5% of the aggregate Capital Commitments of newly admitted Limited Partners. The General Partner shall bear and be responsible for Organizational Expenses (not including finder's fees, selling commissions, fees of Selling Agents or lobbying expenses) in excess of 0.5% of the aggregate Capital Commitments of the Partners.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Investment Transactions, Interest and Dividends

Investment income from portfolio companies is recognized when its value is determinable, the Partnership's right to the income is fixed, and it is deemed collectable by the General Partner. Any difference between the cost and the fair value of open investments is reflected as unrealized appreciation (depreciation) of investments, and any change in that amount is reflected on the accompanying Statements of Operations. Interest income is accrued and recognized on the debt of those issuers who are currently paying in full or expect to pay in full. For those issuers who are not paying in full or do not expect to pay in full, interest is not accrued and is only recognized to the extent received. Dividend income is recognized on the ex-dividend date.

Realized Gains and Losses on Investments

Realized gains and losses on the sale of investments are calculated based on the difference between the total sales proceeds and the cost basis, as determined using the specific identification method. Write-offs of investments are recorded when it is determined that little or no value remains in the Partnership's holding in a particular portfolio company.

Concentrations of Market and Credit Risk

Concentrations of market and credit risk exist with respect to debt and equity investments in emerging growth and special situation companies, which are subject to significant risk typical to companies in various stages of start-up. Generally, there is no ready market for the Partnership's investments, as they are closely held, generally not publicly traded, or, in circumstances where an investment is publicly traded, the Partnership may be subject to certain trading restrictions for a specified period of time.

Income Taxes

The Partnership is not subject to federal income tax, but may be subject to certain state taxes. Each partner is individually liable for taxes on their share of the Partnership's income or loss. The Partnership files U.S. federal and various state income tax returns. In the course of preparing the Partnership's tax returns, the General Partner has reviewed the Partnership's tax positions as of December 31, 2011 and there were no material uncertain income tax positions for which the General Partner determined an expense and liability should be recorded.

Valuation of Investments

The Partnership accounts for the fair value of investments in accordance with FASB Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosure* ("ASC 820"). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchal framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

Saturn Partners Limited Partnership III

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Partnership. Unobservable inputs are inputs that reflect the General Partner's assumptions about how market participants would value the asset or liability based on the best information available in the circumstances. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 are publicly traded equity securities. The Partnership does not adjust the quoted price for these investments even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category are publicly traded equity securities with restrictions.

Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Fair value for these investments are determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally are privately held debt and equity securities.

All transfers between fair value hierarchy levels are recognized by the Partnership on the actual date of the event or change in circumstances that caused the transfer. There were no such transfers during the period from October 23, 2009 (inception date) to December 31, 2011.

The Partnership uses various approaches to value its portfolio companies which are classified in Level 3 of the fair value hierarchy. Equity securities of private companies are valued at the initial negotiated transaction price, which is cost, until another basis of asset value is apparent. The valuation of equity securities of private companies is reduced if the associated portfolio company's performance deteriorates significantly. In some cases, a recent round of financing is considered in establishing the valuation. Valuations using this approach assess such factors as: the participants in the round; the motivation of the buyers and sellers (i.e., has the purchase or sale occurred at "fire sale" prices) and whether the most advantageous market for the transaction was that in which the sale occurred. Portfolio company performance since the latest round is also considered in the final determination.

Saturn Partners Limited Partnership III

Notes to Financial Statements
Period from October 23, 2009 (inception date) to December 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

A comparable company approach may be used in certain circumstances where there are a significant number of related companies and performance of the portfolio company aligns reasonably to those. At times, adjustments to multiples derived from a comparable analysis are appropriate to adjust for company performance.

The income approach to valuation may also be used under certain circumstances. These include companies for which the current and projected earnings, revenue or EBITDA stream are indicative of fair value. In such cases, the General Partner evaluates comparable discount factors, cost of capital and potential exit dates to determine the appropriate valuation of the portfolio company.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investments.

The following table summarizes the Partnership's investments by fair value hierarchy level as of December 31, 2011:

	December 31, 2011			
Investment	Level 1	Level 2	Level 3	Total
Preferred stock	$ -	$ -	$ 6,750,000	$ 6,750,000
Preferred units in LLCs	-	-	1,200,000	1,200,000
Total value of investments	$ -	$ -	$ 7,950,000	$ 7,950,000

The Partnership may have risk associated with its concentration of investments. The detail of each investment is included in the Note 4 of the financial statements.

3. THE PARTNERSHIP AGREEMENT

In accordance with the Partnership Agreement, the General Partner, a Delaware limited liability company, is responsible for managing the business and affairs of the Partnership. In accordance with the terms of the Management Agreement, the Partnership and the General Partner have engaged Saturn Management LLC (the "Manager"), a Delaware limited liability company, to serve as the investment manager for the Partnership. The officers and managers of the General Partner are also the officers and managers of the Manager.

In accordance with the terms of the Management Agreement, the Manager receives an annual Management Fee, payable quarterly in advance, from the Principal Closing Date through the end of the Investment Period, an amount equal to 2.5% of the aggregate Capital Commitments of the Limited Partners to the Partnership, and thereafter 2.5% per annum of the aggregate Capital Contributions of the Limited Partners not returned to the Limited Partners prior to the date of calculation pursuant to Section 7.4(b)(ii) of the Agreement.

Saturn Partners Limited Partnership III

3. THE PARTNERSHIP AGREEMENT…continued

The Management Fee will be reduced by any Placement Fees that are earned by any Affiliate of the General Partner on or after the Principal Closing Date and retained by the Affiliate in accordance with Section 3.2(e) of the Agreement, and such reductions shall be carried forward and applied against any future payments of the Management Fee until such reductions have been fully applied, and will not be refundable. For the period from the Principal Closing Date through December 31, 2011, the Partnership incurred management fees of $520,242, which are included on the accompanying Statement of Operations.

In accordance with the terms of the Partnership Agreement, no Limited Partner shall have the right to withdraw from the Partnership all or any part of such Partner's Capital Contributions, or to receive property or cash of the Partnership in return of such Partner's Capital Contributions.

In accordance with the terms of the Partnership Agreement, distributions are made at such times and in such amounts as determined by the General Partner. Distributable Cash and Distributable Securities are distributed to the Partners such that, on a cumulative basis, the Partners receive distributions in an amount equal to an 8% per annum cumulative, non-compounded priority return on their Invested Capital (the "Priority Return") plus their aggregate Capital Contribution. After the Partners' Priority Return and aggregate Capital Contributions have been distributed, the General Partner receives distributions until it has received an amount equal to 20% of the cumulative aggregate distributions made to all Partners (the "Incentive Distribution"). After the Partners' Priority Return and aggregate Capital Contributions and the General Partner's Incentive Distribution has been distributed, distributions are made 80% to all Partners and 20% to the General Partner.

A total of $34,646,465 of capital ($34,300,000 from the Limited Partners and $346,465 from the General Partner) was committed to the Partnership as of December 31, 2011. As of December 31, 2011, 20.0% of the total committed capital from the Limited Partners, or $6,860,000, has been contributed to the Partnership. In lieu of his cash contribution, one Limited Partner contributed membership units in Panève, LLC and preferred stock in COGO Optronics, Inc. to the Partnership. The General Partner has contributed $50,000 of its required $69,293 contribution as of December 31, 2011. As of December 31, 2011, $19,293 is presented as Other Assets on the accompanying Balance Sheet. This amount was subsequently collected.

Saturn Partners Limited Partnership III

Notes to Financial Statements
Period from October 23, 2009 (inception date) to December 31, 2011

4. INVESTMENTS IN PORTFOLIO COMPANIES

At December 31, 2011, the Partnership held investments in four portfolio companies, which are all U.S. domiciled entities. The original costs and costs as a percentage of partners' capital are set forth below.

Portfolio Company	Industry	Date Acquired	Cost	Fair Value	Percentage of Partners' Capital
Apangea Learning, Inc. (Pittsburgh, PA) 438,276 Series B Preferred Stock	Application software	5/11	$ 1,500,000	$ 1,500,000	25.2%
COGO Optronics, Inc. (Boulder, CO) 4,000,000 Series B Preferred Stock	Networking communications software	Various dates 3/11 to 12/11	4,000,000	4,000,000	67.2%
Mismi, Inc. (New York, NY) 2,020,039 Series D Preferred Stock	Business software	Various dates 7/11 to 9/11	1,250,000	1,250,000	21.0%
Panève, LLC (Hadley, MA) 1,200,000 Series AA Preferred Units	Semiconductor technology	Various dates 3/11 to 6/11	1,200,000	1,200,000	20.1%
Total investments in portfolio companies			$ 7,950,000	$ 7,950,000	133.5%

The following table summarizes the Partnership's investments by type as a percentage of partners' capital as of December 31, 2011:

	Type of Investment as a Percentage of Partners' Capital		
	Cost	Fair Value	Percentage of Partners' Capital
Preferred stock	$ 6,750,000	$ 6,750,000	113.4%
Preferred units in LLCs	1,200,000	1,200,000	20.1%
Total investments in portfolio companies	$ 7,950,000	$ 7,950,000	133.5%

Saturn Partners Limited Partnership III

Notes to Financial Statements
Period from October 23, 2009 (inception date) to December 31, 2011

5. LINE OF CREDIT

The Partnership has a $5,000,000 Revolving Line of Credit with Square 1 Bank (the "Bank"). Per the Loan and Security Agreement, upon each occurrence of the Partnership receiving additional Capital Commitments from Limited Partners satisfactory to the Bank in the amount of $5,000,000, and subject to the Bank's review and approval of an updated listing of Borrower's Limited Partners, at the Borrower's written request, the Revolving Line will increase $1,000,000, up to an aggregate maximum of $10,000,000. Pursuant to Loan and Security Agreement, all advances are due 120 days from the date of each Advance. Interest accrues on the outstanding Daily Balance, at a per annum rate equal to the greater of (i) one-quarter of one percent (0.25%) above the Prime Rate and (ii) three and one-half of one percent (3.50%). At December 31, 2011, the interest rate was 3.50%. A per annum fee ("Unused Line Fee") equal to 0.25% of the difference between (A) the lesser of (i) the Borrowing Base or (ii) the Revolving Line, and (B) the average outstanding principal balance of the Obligations during the applicable quarter, which fee shall be payable quarterly in arrears within five days of the last day of each quarter and shall be nonrefundable. "Borrowing Base" is defined as fifty percent (50%) of Uncalled Capital ($27,440,000 as of December 31, 2011) from Partners that have made all Capital Contributions in accordance with the Partnership Agreement in response to all Capital Calls.

As of December 31, 2011, there was $2,765,000 outstanding on this line of credit, which is included on the accompanying Balance Sheet. For the period from October 23, 2009 (inception date) through December 31, 2011, interest expense of $29,040 was expensed as incurred and is included on the accompanying Statement of Operations. For the period from October 23, 2009 (inception date) through December 31, 2011, an Unused Line Fee totaling $2,716 was expensed as incurred and is included on the accompanying Statement of Operations.

The following table summarizes the Partnership's outstanding advances on its line of credit as of December 31, 2011:

Date of Advance	Amount	Date Due
9/21/2011	$ 900,000	1/19/2012
10/13/2011	75,000	2/10/2012
12/12/2011	500,000	4/10/2012
12/28/2011	1,040,000	4/26/2012
12/28/2011	250,000	4/26/2012

6. BRIDGE FINANCING

During the period from October 23, 2009 (inception date) to December 31, 2011, the Partnership received proceeds totaling $1,600,000 in Bridge Financing from a member of the General Partner to bridge investments in portfolio companies. The entire amount advanced was repaid on August 17, 2011. The financing accrued interest at five percent (5%) per annum. Interest of $9,096 was expensed as incurred and is included on the accompanying Statement of Operations.

On December 15, 2011 the Partnership received proceeds of $1,040,000 in Bridge Financing from the Manager. The entire amount advanced was repaid on December 28, 2011. The financing accrued interest at four percent (4%) per annum. Interest of $1,482 was expensed as incurred and is included on the accompanying Statement of Operations.

Saturn Partners Limited Partnership III

Notes to Financial Statements
Period from October 23, 2009 (inception date) to December 31, 2011

7. COMMITMENTS AND CONTINGENCIES

At December 31, 2011, the Partnership has the right to invest an additional $3,500,000 in COGO Optronics, Inc, as a follow-on equity investment in the Company’s Series B round of financing.

The Partnership has entered into various agreements with consultants (each a “Consultant”) whereby the Consultant will identify, develop and make introductions with prospective investors (“Identified Investors”) and assist the General Partner in the closing of Capital Commitments to the Partnership. Upon the closing of Capital Commitments with Identified Investors by the Consultant, the Partnership will compensate the Consultant with a cash payment equal to a certain percentage, as specified in each Consultant’s respective agreement, of the amount of capital committed by Identified Investors. Additionally, the Consultants will receive a performance fee substantially equivalent to a profits interest in the General Partner’s Carried Interest, as defined in the Amended and Restated Limited Partnership Agreement of the Partnership.

The Cash Fee and Performance Fee will be payable only with respect to identified introductions that result in the purchase of Partnership interests under the terms and conditions set forth in the Second and Amended Restated Private Placement Memorandum of the Partnership dated September 1, 2011, as amended from time to time, whose subscription to the Partnership’s interests was accepted by the General Partner, in its sole discretion and that have closed their purchase of Partnerships’ interest on or before the Final Closing Date, June 30, 2012.

8. FINANCIAL HIGHLIGHTS

The Partnership is required to disclose financial highlights which include expense ratio and net investment loss ratio for the period from inception (October 23, 2009) to December 31, 2011 and the internal rate of return since inception (“IRR”) for Limited Partners, net of all fees and profit allocations to the General Partner, from the Principal Closing Date through December 31, 2011. The following summarizes the Limited Partners’ financial highlights:

Expense ratio	21.92 %
Net investment loss ratio	(21.79)%
Cumulative internal rate of return, December 31, 2011	(22.30)%

The expense ratio is calculated for the Limited Partners, as a group. The computation of such ratios is based on the amount of expenses and incentive fee or incentive allocation assessed to an individual Limited Partner’s capital and may vary from these ratios based on different management fee and incentive arrangements (as applicable) and the timing of capital transactions.

The IRR was computed based on the actual dates of the cash inflows (capital contributions), outflows (cash and stock distributions) of which there were none, and the ending partners’ capital at the end of the period (residual value) of the Limited Partners' capital account as of the year-end. These financial highlights may not be indicative of any single Limited Partner because they were calculated based on the Limited Partners’ capital accounts as a whole. These financial highlights may not be indicative of the future performance of the Partnership. An individual partner’s return may vary from this calculated return based on the timing of capital transactions.

Saturn Partners Limited Partnership III

Notes to Financial Statements
Period from October 23, 2009 (inception date) to December 31, 2011

9. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through April 23, 2012, the date the financial statements were available to be issued.

On January 12, 2012, the Partnership invested an additional $250,000 in Panève, LLC for a Convertible Promissory Note.

On February 29, 2012, the Partnership invested $999,998 in OPE, Inc. (d/b/a CORE Outdoor Power) for the purchase of 176,491 shares of Series B Preferred Stock. Headquartered in Polson, Montana, OPE, Inc. has developed a revolutionary new motor technology called Conductor Optimized Rotary Energy (CORE) specifically for use in its new line of gasless emission-free outdoor power equipment.

On March 12, 2012, the Partnership invested an additional $500,000 in COGO Optronics, Inc. for 500,000 shares of Series B Preferred Stock.

Pursuant to section 2.4 of the Agreement, the General Partner called for a payment of an additional installment of each Limited Partner's Capital Contribution such that each Limited Partner will have, upon contribution, contributed at least thirty percent (30%) of their Capital Commitment. The capital call was due April 4, 2012.

The Partnership secured additional Limited Partner Capital Commitments totaling $1,325,000 subsequent to December 31, 2011, of which $397,500 has been contributed through April 23, 2012. As of April 23, 2012, the Partnership has secured $35,625,000 in Limited Partner capital commitments.

SUPPLEMENTARY INFORMATION

Saturn Partners Limited Partnership III

Statement of Cumulative Portfolio Company Activity

Period from October 23, 2009 (inception date) to December 31, 2011

		Continuing Investments			Changes in Total Value of Investments for the period ended December 31, 2011		
Investments	Date of Initial Investment	Cost Basis of Continuing Investments	Unrealized Investment Gain/(Loss)	Total Value of Continuing Investments	Cost Basis	Unrealized	Realized
Apangea Learning, Inc.	5/11	$ 1,500,000	$ -	$ 1,500,000	$ 1,500,000	$ -	$ -
COGO Optronics, Inc.	3/11	4,000,000	-	4,000,000	4,000,000	-	-
Mismi, Inc.	7/11	1,250,000	-	1,250,000	1,250,000	-	-
Panève, LLC	3/11	1,200,000	-	1,200,000	1,200,000	-	-
		$ 7,950,000	$ -	$ 7,950,000	$ 7,950,000	$ -	$ -